

STAFF SUMMARY SHEET

	TO	ACTION	SIGNATURE (Surname), GRADE AND DATE		TO	ACTION	SIGNATURE (Surname), GRADE AND DATE
1	SMC/ CZS	Coord.	<i>Gregory D. Miller</i> COL 1300899				
2	SMC/ CZK	Coord.	<i>William A. Lee</i> 10/13/99	7			
3	SMC/ CZX	Coord.	<i>W. J. Lee</i> 10/13/99	8			
4	SMC/CZ	Signature	<i>Hermon</i> COL 140019	9			
5				10			

SURNAME OF ACTION OFFICER AND GRADE	SYMBOL	PHONE	TYPIST'S INITIALS	SUSPENSE DATE
Dunkelberger, Capt, USAF	SMC/CZK	3-5787	fle	

SUBJECT	DATE
Lighting Bolt 99-04 Alternate Dispute Resolution (ADR)	12 Oct 99

SUMMARY

1. Request SMC/CZ sign program level ADR Memorandum of Agreement (MOA).
2. The ADR MOA was mandated by Lighting Bolt 99-04. This "Lighting Bolt" stated that each ACAT I and II program will establish a program level ADR MOA with their prime contractor(s) by Oct 99.
3. Lighting Bolt 99-04 initiates the Air Force ACAT I and II program portion of an Air Force-wide initiative to expand the appropriate use of ADR. ADR has proven to be a valuable business team tool in settling contractual issues, while preserving essential long-term business relationships.
4. RECOMMENDATION: SMC/CZ sign the MOA at Tab 1.



CHARLES WATSON
Contracting Officer

1 Tab
ADR MOA

GPS II/IIA/IIF Programs
Alternative Dispute Resolution
Memorandum of Agreement
Between
The Department of the Air Force
and
Boeing North Ame

1. The Department of the Air Force (Air Force), and Boeing North American (collectively the Parties) have entered into contract(s) FO4701-96-C-0025 and FO4701-98-C-0002 to acquire GPS Block IIF Development and Production program support and GPS II/IIA Follow-on Satellite Sustainment program support, respectively. These contract(s) contain the "Disputes" clause (52.233-1) to implement the contract Disputes Act of 1978. However, as contemplated by FAR 32.214, the parties also recognize that Alternative Dispute Resolution (ADR) procedures involving collaborative techniques may be used as an alternative to Disputes Clause procedures in order to avoid the disruption and high cost of litigation which detracts from mission accomplishment.
2. The Parties agree that they will try to resolve all issues in controversy arising under or related to the contract by negotiation and mutual agreement at the contracting officer's level. If these negotiations are unsuccessful, the parties agree to consider use of one or more of the ADR processes contemplated by FAR 32.2 to reduce or eliminate the need for litigation. The Parties further agree that, depending on the facts and circumstances of each case, an ADR process must be structured to allow sufficient time to exchange and analyze any information necessary to obtain and justify a settlement.
3. Consistent with FAR 33.214, in cases where the parties decide to use ADR, the parties will prepare and agree to a specific, written ADR agreement appropriate to the controversy, before the ADR process begins. The agreement should normally address the following (as appropriate): authorized representatives for each party; ADR techniques and processes to be utilized and procedures to be followed; methods for the exchange of information; a schedule and procedures for any discovery proceedings, including how to limit discovery/factual exchange; appointment and payment of neutrals; possible audit requirements to justify a settlement; confidentiality; at what point the parties will begin negotiations; and a provision for termination of the agreement.
4. The decision to use ADR is mutual between the Government and the contractor. If the contracting officer rejects a contractor's request to use ADR proceedings, the contracting officer shall provide the contractor a written explanation citing one or more of the conditions in 5 U.S.C. 572(b) or such other specific reasons that ADR procedures are inappropriate for the resolution of the dispute [See 41 U.S.C. 605(e) and FAR 33.214(b)]. In any case, where a contractor rejects the government's request to use ADR proceedings, the contractor shall inform the agency in writing of the contractor's specific reasons for rejecting the request.
5. It is not the intent of the parties that this agreement alter, supplement or deviate from the terms and conditions of any contract(s) between the parties, or the legal rights and obligations

of the parties set forth therein. Any changes to that contract(s) must be executed in writing by authorized contracting officials.


6. In the event either party believes a particular ADR proceeding is not well-suited to ADR, or is dissatisfied with progress being made in a particular ADR proceeding, that party may elect to abandon the ADR process and proceed as otherwise provided under contract, regulation or statute. Nothing in this Agreement shall be deemed to prevent either party from preserving and exercising its legal rights and remedies during the ADR process.


System Program Director

14 Oct 99
Date


Contracting Officer

61 Oct 1999
Date


Contractor Program Director

30 September 1999
Date


Contractor Director of Contracts

30 September 1999
Date